

Chicago Daily Law Bulletin

April 17, 2002

High Court Seeks Higher Registration Fees

Daniel C. Vock

Law Bulletin Staff Writer

SPRINGFIELD -- Registration fees for Illinois lawyers could jump as much as \$49 a year if lawmakers adopt two separate measures to bolster pro-bono services and support for lawyers with drug and alcohol problems.

The Illinois Supreme Court is pushing for legislation that would allow it to dedicate money raised through the fee hikes to legal services to the poor. The justices are floating a \$42 increase to shore up financing for pro-bono work, as the normal funding mechanism for legal services has fallen short in recent years.

Currently, support for non-profit legal aid groups comes from interest generated on the Lawyers' Trust Fund, which pools clients' money that attorneys hold for such matters as escrow funds. But low interest rates and a sagging economy mean there is less money being generated.

After hours of discussion, the high court agreed that raising the registration fees would be the best way to address the declining revenues, Chief Justice Moses W. Harrison II said. The judges were reluctant to raise those fees but eventually decided that supporting pro-bono services was important enough "and lawyers had a responsibility to contribute" to the cause, Harrison said.

Last year, the high court raised the base fee for active attorneys to \$180 from \$140. Lawyers in their first three years of practice or who are inactive pay \$90, and retired lawyers pay nothing.

Legislation circulated by the high court's lobbyist specifies that the hike would apply to attorneys "paying full annual registration fees." In 2001, there were 57,392 active attorneys in Illinois and 74,311 on the full roll, according to the Attorney Registration and Disciplinary Commission.

The hike would raise roughly \$2.4 million.

Last year, interest on the trust fund totaled \$4.5 million, but service and handling fees consumed \$538,000 of that amount. This year's returns are projected to be anywhere

between \$700,000 and \$1 million short of that mark, said Ruth Ann Schmitt, the executive director of Lawyers Trust Fund of Illinois.

Harrison said the fee hikes are designed only to counter the shortfall in interest income, not add to the total amount available.

"Our legal services are already stretched to the breaking point," Schmitt said. "We have a tough time raising enough money to properly fund services that our clients need."

Neither the Illinois State Bar Association nor The Chicago Bar Association has taken a stance on the proposed hikes.

The court's initiative is far from a done deal. The proposal has not been attached to any legislation currently viable in either the House or Senate. The court needs legislative approval to set up a separate state account to deposit the money.

That would mark a change from the way money earned through the Interest on Lawyer Trust Account, or IOLTA, is handled.

In fact, the high court once became embroiled in a dispute with the auditor general's office over whether the auditor could examine IOLTA funds because they were not in a state account.

On another front, the state's largest two bar associations are backing a measure to increase attorney registration fees by \$7 to fund the Lawyers' Assistance Program. That legislation, House Bill 4078, would also use a separate state account to collect the money. The Lawyers' Assistance Program is designed to help lawyers with drug or alcohol abuse problems, or with mental health problems.

The bill calling for the \$7 increase passed the House but is currently stalled in the Senate. The legislation must pass the hearing stage by next Thursday.

Legislation is available online at www.legis.state.il.us.